GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:1719
ANSWERED ON:14.03.2005
COMPENSATION TO WORKERS OF CLOSED INDUSTRY
Jagannath Dr. M.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether there is any provision under which compensation could be provided to workers who lose employment due to closure of an industry or face retrenchment owing to the liberalization and privatization policies;

(b) if so, the details thereof;

(c) if not, whether the Government proposes to introduce such schemes for the benefit of the retrenched workers; and

(d) if so, the details thereof?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

(a) & (b): The Industrial Disputes Act, 1947, provides for compensation to every worker employed in an industry, who has been in continuous service for not less than one year under an employer, in the event of closure or retrenchment. As per the Act, the compensation should be equivalent to fifteen days` average pay for every completed year of continuous service or any part thereof in excess of six months.

(c) & (d): Do not arise.